

Date Mailed February 27, 1998

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Evansville, as an Electric
Public Utility, for Authority to Increase Electric Rates

1880-ER-103

**NOTICE OF INVESTIGATION, ASSESSMENT OF COSTS,
AND TELEPHONIC HEARING**

On December 27, 1997, the city of Evansville, Rock County (Evansville), as an electric public utility, filed an application with the Public Service Commission of Wisconsin (Commission) under ss. 196.03, 196.20, and 196.37, Stats., for authority to increase electric rates.

Evansville requests a rate increase which will produce an 8.0 percent rate of return on net investment rate base. Evansville cites increases in operating expenses and the value of its utility plant since its last rate case in 1995 as the primary reasons for needing this increase.

Upon review of Evansville's filing, Commission staff has proposed an overall increase in revenues of 8.5 percent. If Commission staff's proposal is approved, an average residential customer's bill would increase 11.2 percent, from \$36.16 to \$40.21 per month based on an average monthly usage of 700 kWh. Commission staff's proposal also includes an 8.9 percent increase for the general service (farm and commercial) customers, a 7.8 percent increase for the small power customers, a 6.5 percent increase for the large power customers, and a 5.5 percent increase for industrial power customers. These percentages represent the impact for an average customer in these rate classes. Individual customer bill impacts will differ from these percentages depending upon each customer's electric usage.

Evansville is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to s. PSC 2.73, Wis. Adm. Code, for producing proof of such notice at the hearing.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

NOTICE IS HEREBY GIVEN that the Commission will investigate this matter and hold a public hearing on March 13, 1998, at 9:00 a.m. This will be a telephonic hearing conducted from two sites. Evansville will provide a room for customer participation in the Fire Station located at 10 West Church Street, Evansville, Wisconsin. Customers may call Evansville at (608) 882-2280 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate from the Lake Superior Room in the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations at the Public Service Commission Building should contact Richard Teslaw, General Services Assistant, at (608) 267-9766.

NOTICE IS FURTHER GIVEN that this matter is considered to be a Class 1 proceeding as defined in s. 227.01(3)(a), Stats.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of Evansville. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Evansville, in accordance with the provisions of s. 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

If there are any questions regarding the hearing scheduled in this notice, please call the Examining Division at (608) 266-1261.

Other questions regarding this matter may be directed to Jim B. Petersen at (608) 267-2190.

Dated at Madison, Wisconsin, _____

For the Commission.

Susan E. Stratton
Administrator
Electric Division

SES:JBP:sp:G:\Notice\Pending\1880-ER-103